

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industrial Promotion – Extension of special package of incentives to M/s. Berger Paints India Limited for their proposed Water based paints and Emulsions manufacturing plant in two phases at Hindupur (M), Ananthapur District under Industrial Investment Promotion Policy (IIPP) 2010-15 as a Mega Project – Orders Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No. 10

Dated:10 -01-2012

Read the following:

1. From the M/s. Berger Paints India Limited, Lr.No., dated,3.08.2010.
2. The State Investment Promotion Committee (SIPC) Meeting held on 27-12-2011.
3. The State Investment Promotion Board (SIPB) Meeting held on 31-12-2011.

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ORDER:-

In the reference 1st read above, M/s. Berger Paints India Limited informed that M/s. Hadfield India Ltd was set up in Kolkata in 1923, which was taken over by British paints (Holdings) Ltd, United Kingdom in the year 1947 and the name being changed to British Paints India Ltd. The British Paints India Ltd changed its name to Berger Paints India Ltd in 1983. The Berger Paints India Ltd in collaboration with Dupont Herbal Automotive Systems of USA has started manufacturing units with line of activity automotive coatings and keeping collaboration with Becker Industrifarg A.B. of Sweden have started units with line of activity coil coatings. The Company has established its units at (Howrah) West Bengal, Gujarat, Pondicherry, Goa, Hoogly(West Bengal), Jammu and Sikandrabad in India.

2. Now, the company proposed to setup paints project comprises of 3 divisions (1) water based plant (Berger paints India Limited, IP, Hindupur, Ananthapur (2) Integrated Paint Plant (British Paints Division), Gollapuram, Industrial area, Ananthapur and (3) Container unit or Seaward Packaging Pvt. Limited, Industrial Park, Hindupur, Ananthapur. with a total investment of Rs.496.5 Crores in two phases. The proposal is likely to create direct employment to 381 persons and indirect employment to 1150 persons. The unit have obtained clearance from MoEF, Government of India and Consent for Establishment from APPCB is awaited. The details are as indicated below.

Sl.No.	Item	Phase - I	Phase-II
1	Capacity of water based paints	1,60,000 (KL / Mt./P.A.)	1,60,000
	<i>Emulsions</i>	50,000 (KL / Mt./P.A.)	50,000 (KL / Mt./P.A.)
	<i>Investment</i>	240 Crores	200 Crores

	<i>Employment</i>	Direct: 100 Indirect: 500	Direct: 100 Indirect: 500
	<i>British Paints Division</i>		
2	Capacity of water based paints	30,000 (KL / Mt./P.A.)	6000(KL/Mt./P.A.)
	<i>Investment</i>	38 Crores	2 Crores
	<i>Employment</i>	Direct: 75 Indirect: 150	
3	<i>Capacity of Container Manufacturing plant</i>	3,12,00,000 Nos	
	<i>Investment</i>	16.5 Crores	2 Crores
	<i>TOTAL INVESTMENT</i>	Rs. 294.53 Crs	Rs. 202 Crs
	<i>Total Employment</i>	Direct: 175 Indirect: 650	Direct: 100 Indirect: 500

3. M/s. Berger Paints India Limited has requested for the following benefits for their project.

- (a) APIIC to deliver water for the 3 companies from PABR Project, Hindupur
 - a) Water based plant – 524 Cum/per day
 - b) Integrated Paint – 45 Cubic M. per day
 - c) Container Unit – 12 Cubic M. per day
- (b) 100% VAT reimbursement for 10 years from the date of commencement of commercial production.
- (c) Refund of input tax for construction or maintenance of any building and (factory building)
- (d) Currently, there is no entry tax or cess or any other form of tax on raw materials or finished goods in A.P. In case any such tax or any state excise is imposed, the same may not be applicable for the paint unit for a period of 5 years from the date of commencement of commercial production.
- (e) No increase in electricity tariff for a period of five year and since Seaward packaging is non-polluting, the moratorium should be 10 year.
- (f) Capital subsidy to the extent of a maximum of Rs.5 crores on ETP, incinerator and other pollution control equipment for each unit.
- (g) 15% subsidy on other capital investment, subject to a maximum of Rs. 1.00 crore of each unit.

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- (h) 50% transport subsidy on inward transportation of domestic raw material from a distance of more than 500 KMs
- (i) 25% subsidy on land cost subject to a maximum of Rs.10.00 lakhs
- (j) Land at Hindupur for managers colony / workers houses at subsidized rates
- (k) Request for 2 acres of land at reasonable rates at Hyderabad to setup administrative office cum-regional distribution centers.
- (l) 50% Refund of cost of transport of hazardous waste for a period of 5 years
- (m) Infrastructure facilities such as roads, electricity line of adequate load to run the factory.
- (n) 100% refund of stamp duty paid on registration of land.
- (o) All other incentives as per policy.

4. The State Investment Promotion Committee (SIPC) have discussed the proposal and recommended the following incentives and to place the matter before the State Investment Promotion Board (SIPB).

- i. 50% reimbursement of VAT & CST for a period of 5 years from date of commencement of commercial production (DCP)
- ii. All other incentives as per IIPP 2010-15 policy.
- iii. With regard to water from PABR project, Irrigation Department informed that it is not possible to provide from PABR and the Committee after detailed discussions decided to advise the company to look for alternative arrangements

5. The State Investment Promotion Board (SIPB) in its meeting held on 31-12-2011 discussed the proposal in detail and decided to extend the following incentives.

- (i) 50% reimbursement of Net VAT & CST for a period of 5 years from date of commencement of commercial production (DCP).
- (ii) Other incentives as per IIPP 2010-15 policy.
- (iii) With regard to water supply from PABR, APIIC informed that water has already been allocated to Hindupur Growth center under RWS Project and the water has not been released due to non-payment of cost of Infrastructure to a tune of Rs. 60.00 Crs to RWS. The Board after detailed discussion decided to provide Rs. 60.00 Crs for payment to RWS for immediate release of water by APIIC and to recover the same from the units.

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6. The Government after careful examination of the proposal and keeping in view of the recommendations of the State Investment Promotion Board (SIPB), hereby extend the following incentives to M/s. Berger Paints India Limited with an investment of Rs.294.53 Crores as decided by the SIPB under Industrial Investment Promotion Policy (IIPP) 2010-15, as a mega project.

- (i) 50% reimbursement of Net VAT & CST for a period of 5 years from date of commencement of commercial production (DCP).
- (ii) With regard to water supply from PABR, APIIC informed that water has already been allocated to Hindupur Growth center under RWS Project and the water has not been released due to non-payment of cost of Infrastructure to a tune of Rs. 60.00 Crs to RWS. The Board after detailed discussion decided to provide Rs. 60.00 Crs for payment to RWS for immediate release of water by APIIC and to recover the same from the units.
- (iii) All other incentives as per IIPP 2010-15 policy, which include:
 - (a) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
 - (b) 100% reimbursement of Stamp duty on mortgages and hypothecations.
 - (c) 25% rebate in land cost limited to Rs.10.00 Lakhs in Industrial Estates/Industrial Parks.
 - (d) Fixed power cost reimbursement @ Rs.0.75 per unit for 5 years from the date of commencement of commercial production.
 - (e) 50% Reimbursement of cost involved in skill upgradation and training the local manpower limited to Rs.2000 per person.
 - (f) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.

7. The industry shall provide atleast 80% of employment to the candidates belonging to the Andhra Pradesh State for becoming eligible to the above incentives.

8. The Commissioner of Industries and the VC & Managing Director, APIIC are requested to take further necessary action.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**TS APPA RAO,
PRINICIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, Andhra Pradesh, Hyderabad
M/s. Berger Paints India Limited through the Commissioner of Industries, A.P.
Hyderabad.
The District Collector, Anantapur.

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Copy to

The Accountant General, Andhra Pradesh, Hyderabad

The Finance (Exp. I&C) Department. / The Energy Department.

The Irrigation & CAD (Reforms) Dept. /The Revenue (CT) Department.

The Commissioner of Commercial Taxes, Hyderabad

The Chairman & Managing Director, APIIC, Hyderabad

The Chairman & Managing Director, APTRANSCO., Hyderabad

The Managing Director, APCPDC Ltd., Hyderabad

The GM, DIC, , Anantapur through the Commissioner of Industries, A.P.

Hyderabad. The District Collector Ananthapur

P.S. to Minister (Major Industries)/ P.S. to Spl. Chief Secretary, Rev. Dept./P.S.

to Prl. Secy. to

Govt., Rev.(CT) Dept./P.S. to Prl. Secy. to CM/P.S. to Prl.Secy. (Irrigation)

Dept./P.S. to

Spl.CS, Energy Dept./P.S. to Prl. Secy. & CIP/

P.S. to Secretary to Govt. (Legal Affairs).

SC/SF

//Forwarded::By::Order//

SECTION OFFICER